

July 2004

This report uses data from the WorkFirst Study (WFS). The sample was drawn from the statewide list of adults receiving welfare assistance in March 1999 (1999 cohort), October 2000 (2000 cohort), October 2001 (2001 cohort), and October 2002 (2002 cohort).

State administrative files provided data to track receipt of welfare benefits from TANF (cash assistance), Medicaid, Food Stamps, support service payments, childcare subsidies, and private child support payments. The employment and Unemployment Insurance data come from the state Unemployment Insurance files.

FINDINGS

- TANF and Medicaid receipt patterns have been remarkably stable across the cohorts. For each cohort, about half of the families were no longer receiving TANF after one year, and TANF receipt dropped steadily over time.
- Receipt of Food Stamp benefits has fallen steadily over time for families in each cohort but is higher than TANF receipt. Families in more recent cohorts were more likely to receive Food Stamps.
- About 85 percent of each cohort received Medicaid after one year and 60 percent after two years.
- For each cohort, between 25 and 30 percent of families were receiving childcare subsidies initially. The proportion declined over time for each group.
- For each cohort, employment increased initially. However, higher unemployment rates appear to have dampened employment for all cohorts.
- More respondents received Unemployment Insurance benefits over time, but levels remained low (approximately 3 to 4 percent of respondents in each cohort in late 2003).
- Between 20 and 40 percent of families received child support in each month. Rates were lower for the last two cohorts, but increased over time for each cohort.
- Support service receipt and amounts were somewhat lower for the 1999 and 2002 cohorts than for the 2000 and 2001 cohorts. About 70 percent of respondents received support for transportation and 60 percent received clothing or personal hygiene support in the first year we followed them.

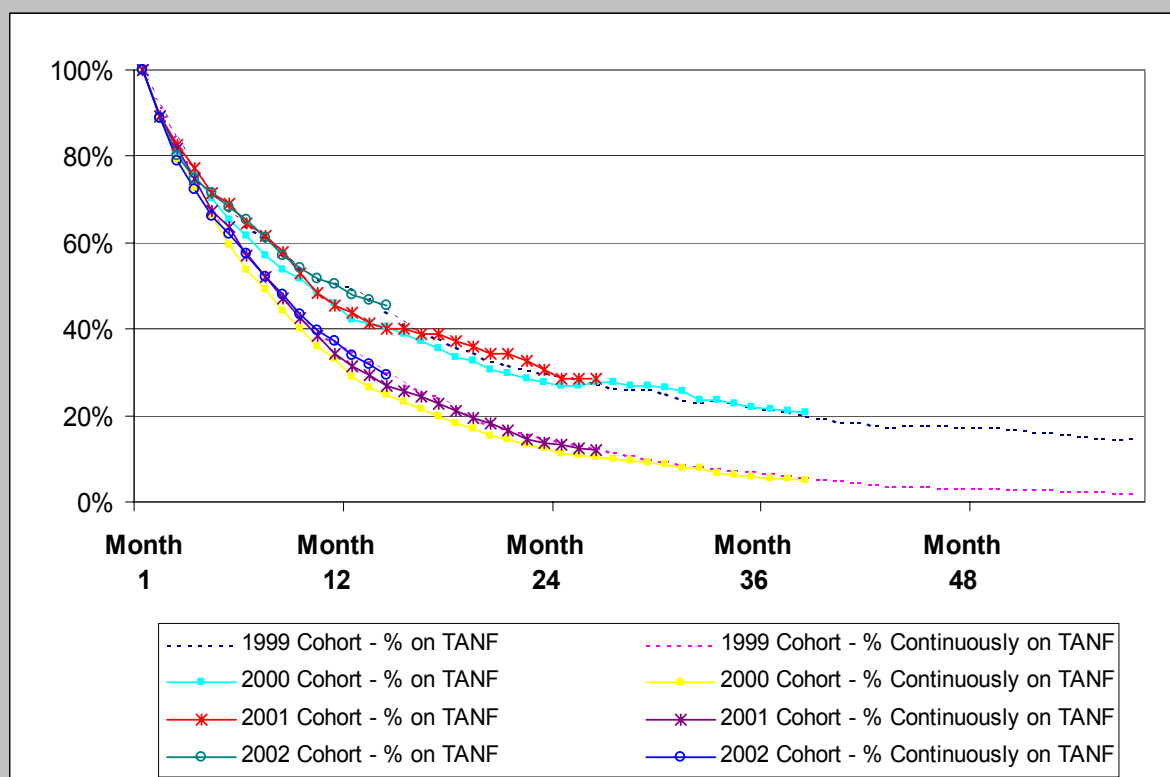
TANF Experience

Figure 1 shows the proportion of families who received TANF cash assistance over time since each cohort was selected. The top group of lines shows the proportion of families on TANF in each month. The lower group of lines depicts the proportion of families who have received TANF for all months since the cohort was selected (“continuously on”).

The graph shows that the patterns of TANF receipt have been remarkably stable across the cohorts. For each cohort, about half the families were receiving TANF at the one-year mark and about a third were on TANF at the two-year mark.

The proportion of families who have continuously received TANF also dropped steadily for each of the groups. For each cohort, about a third of the families had not left TANF at the one-year mark and about 15 percent had not left at the two-year mark. At the four-year mark for the 1999 cohort, fewer than 20 percent of families received TANF and only 3 percent had never left.

FIGURE 1: TANF RECEIPT OVER TIME



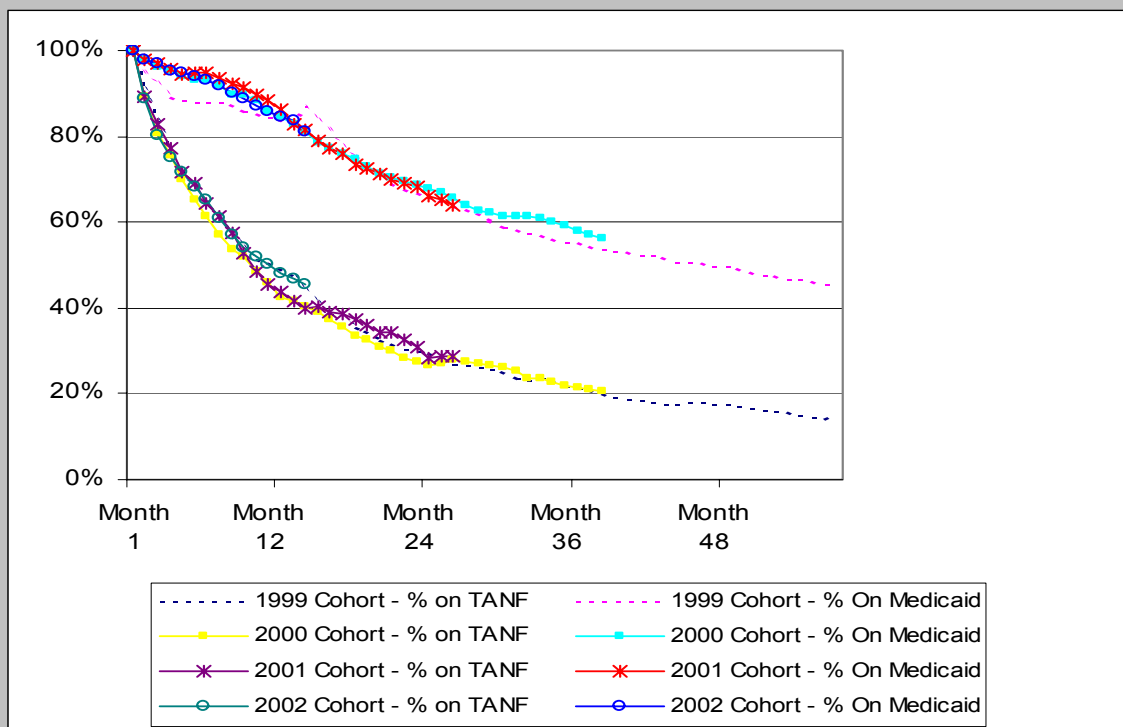
Medicaid

Figure 2 shows the proportion of WorkFirst Study respondents who received Medicaid benefits (top cluster of lines) and the proportion who received TANF (bottom cluster of lines).

Receipt of Medicaid benefits has fallen steadily since the first month for each cohort. However, the drop in Medicaid receipt has not been as dramatic as the drop in TANF receipt.

At the one-year mark about 85 percent of families received Medicaid (though only half were on TANF). By the two-year mark, Medicaid receipt had dropped to about two-thirds of each cohort when TANF receipt was about a third of the sample. Only the 1999 cohort had a slightly different pattern for Medicaid receipt with initially lower rates that rose due to policy changes in 2000.

FIGURE 2: MEDICAID AND TANF RECEIPT

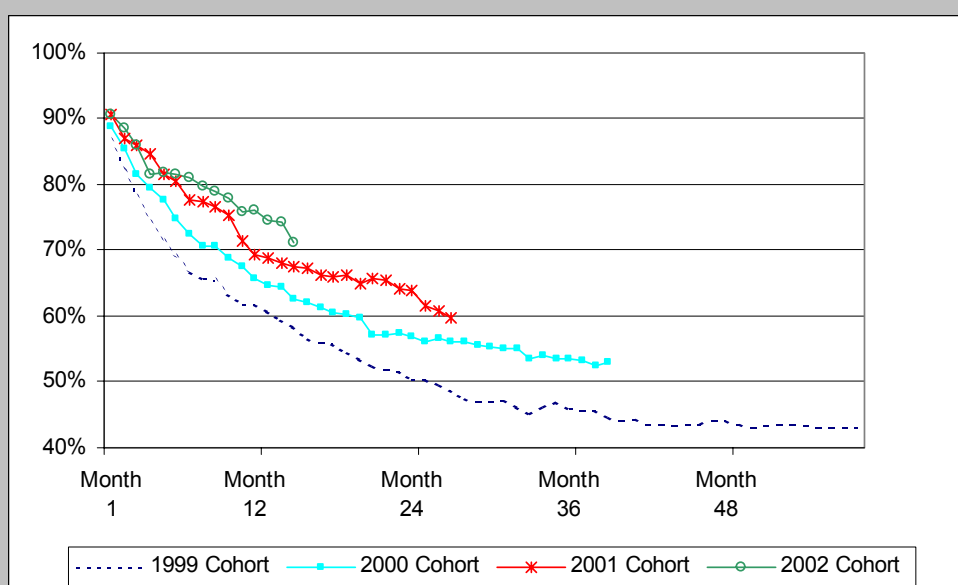


Food Stamps

Figure 3 shows the proportion of families who received Food Stamp assistance over the months since each cohort was selected.

Receipt of Food Stamp benefits fell over time for families in each cohort, but the rate of decrease has lessened with each new cohort. Although the changes in TANF receipt have been very consistent across the cohorts, Food Stamp participation has dropped much less dramatically for more recent cohorts than for the earlier cohorts. Three-quarters of the 2002 cohort were receiving Food Stamps after one year, but only about 60 percent of the 1999 cohort did at that time. At the two-year mark, about half the 1999 cohort received Food Stamps, but over 60 percent of the 2001 cohort did. Receipt seems to have leveled off at about 45 percent for the 1999 cohort.

**FIGURE 3:
FOOD STAMP
RECEIPT**



Childcare Subsidies

Figure 4 shows the proportion of families receiving state subsidies for childcare over the months since each cohort was selected.

In the earlier three cohorts there has been a general trend of a slight initial increase in the proportion receiving subsidies through the first several months, followed by a gradual drop. The proportion receiving subsidized childcare hovered between roughly 25 and 30 percent for the first year. The proportion of the 2002 cohort remained steady at around 25 percent until beginning to decrease toward the end of the first year.

**FIGURE 4:
CHILD CARE
SUBSIDY
RECEIPT**

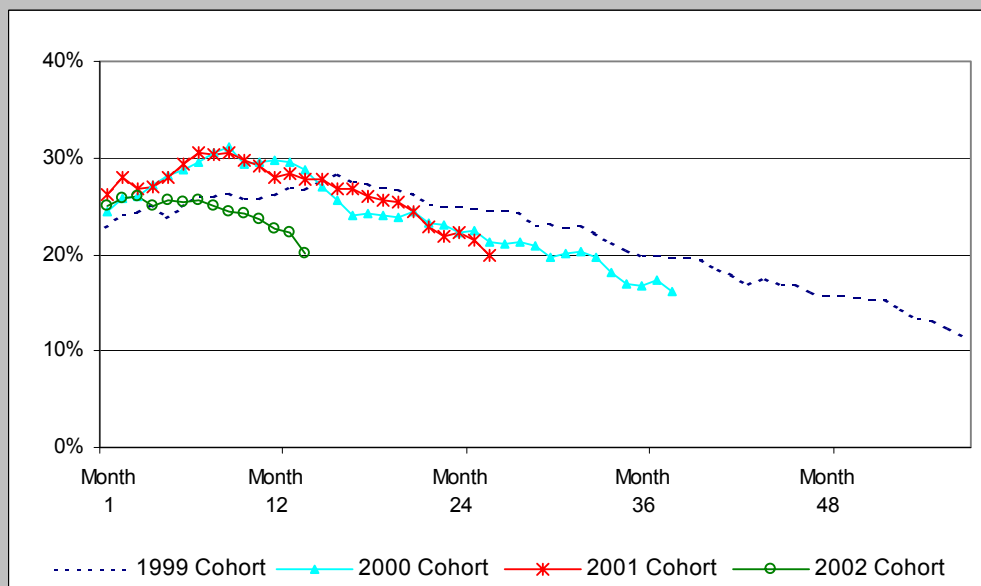
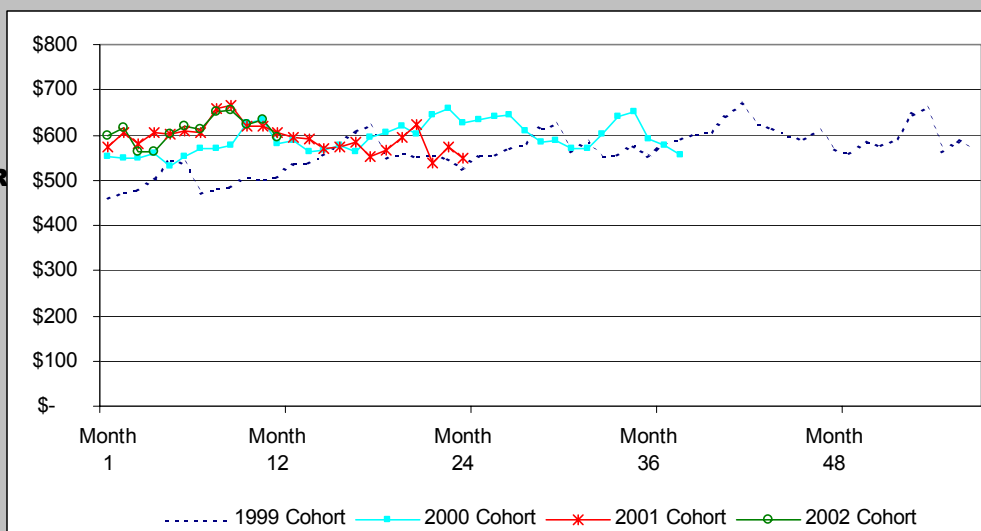


Figure 5 shows the average amounts of childcare subsidies for those who received some support. In almost all months, childcare subsidies averaged between \$500 and \$650 per month. The 1999 cohort had somewhat lower subsidies initially, but average levels have otherwise been fairly stable over time and across cohorts.

**FIGURE 5:
CHILD CARE
SUBSIDY
AMOUNTS FOR
THOSE WHO
RECEIVED
PAYMENTS**



Employment

Figure 6 shows the proportion of WorkFirst Study respondents who had earnings from jobs covered by Unemployment Insurance in each quarter following the selection of the cohort.

Employment increased initially for respondents in each group. However, employment for the more recent cohorts was generally lower than employment for the 1999 cohort. For the families who were on TANF in March 1999, employment peaked at just over 50 percent in the last quarter of 2000. In later quarters, employment rates for the 1999 and 2001 cohorts have hovered around 45 percent. Employment among the 2002 cohort has been lower, but increasing.

**FIGURE 6:
EMPLOYMENT
RATES**

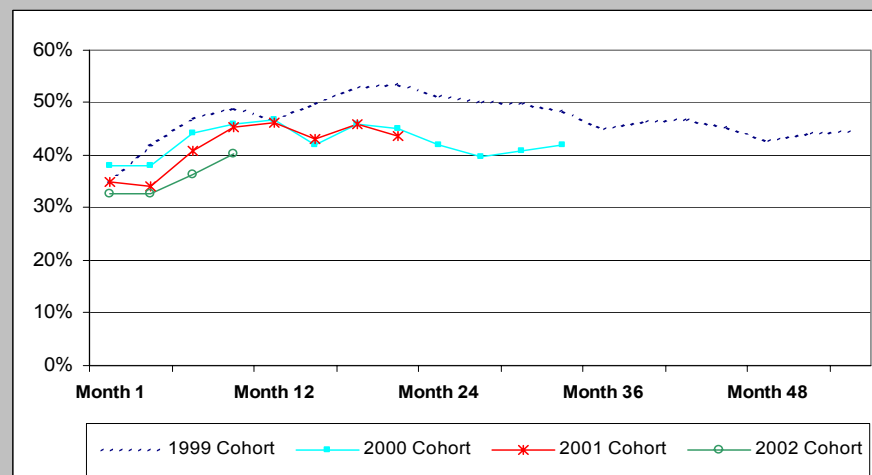
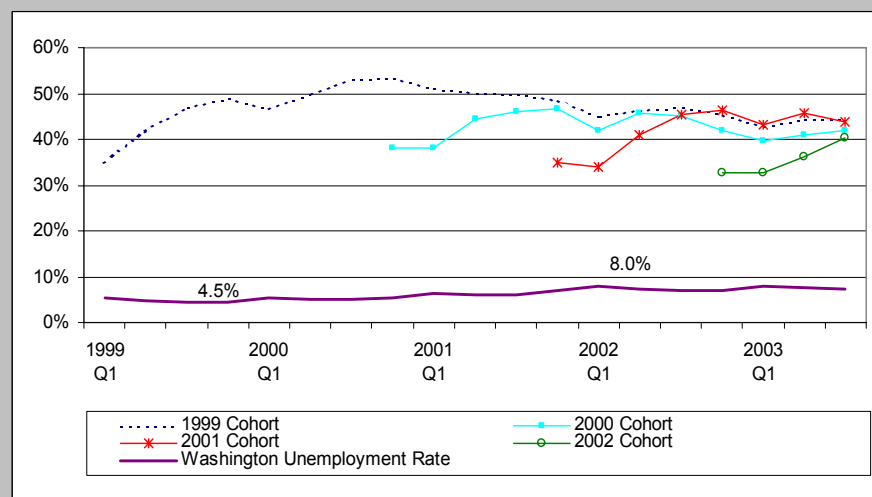


Figure 7 depicts the same employment data by calendar time from 1999 through 2003 and shows the unemployment rates in Washington State. In this figure, the connection of employment to the state unemployment rates is made clearer by the lower initial employment rates for the later cohorts and lower employment over time for earlier cohorts.

**FIGURE 7:
EMPLOYMENT
AND STATE
UNEMPLOYMENT
RATE BY
CALENDAR TIME**

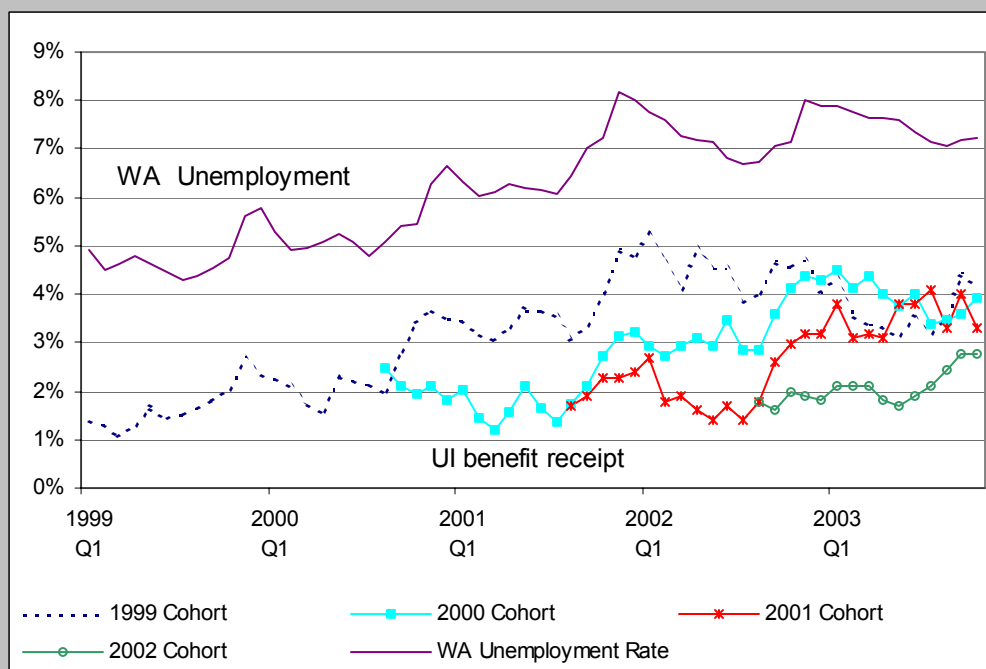


Unemployment Insurance Benefits

Figure 8 shows the proportion of respondents receiving Unemployment Insurance (UI) benefits and the Washington State unemployment rate. To be eligible for UI benefits, respondents must first build up the required work experience (680 hours or about 17 weeks of full-time work in a one year period), then become unemployed. So UI receipt is affected by employment patterns over time as well as by the unemployment rate.

UI receipt for WorkFirst Study respondents follows a pattern similar to the unemployment rate in Washington. The proportion of recipients has increased gradually over time, but with seasonal peaks and troughs. The unemployment rate and the proportion of 1999 cohort respondents receiving UI benefits peaked concurrently at the end of 2001. About 3 to 4 percent of respondents in each cohort received UI benefit by late 2003. For all cohorts, average benefit amounts have hovered between about \$400 and \$700 per month.

**FIGURE 8:
UI BENEFIT
RECEIPT BY
CALENDAR
TIME**

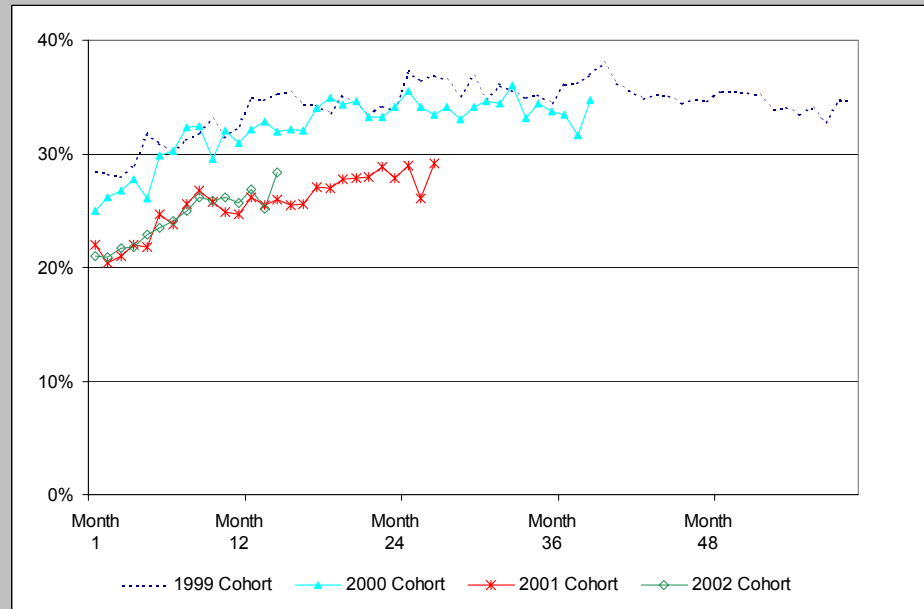


Child Support Receipt

Figure 9 shows the proportion of families who received child support payments from noncustodial parents.

More families in each cohort received child support payments over time. After about a year, about 35 percent of the 1999 and 2000 cohorts received some child support in each month. The rates for the last two cohorts (2001 and 2002) were somewhat lower—less than 30 percent for the same period. Average child support payments were quite variable, but ranged from about \$250, on average, to about \$400 per month.

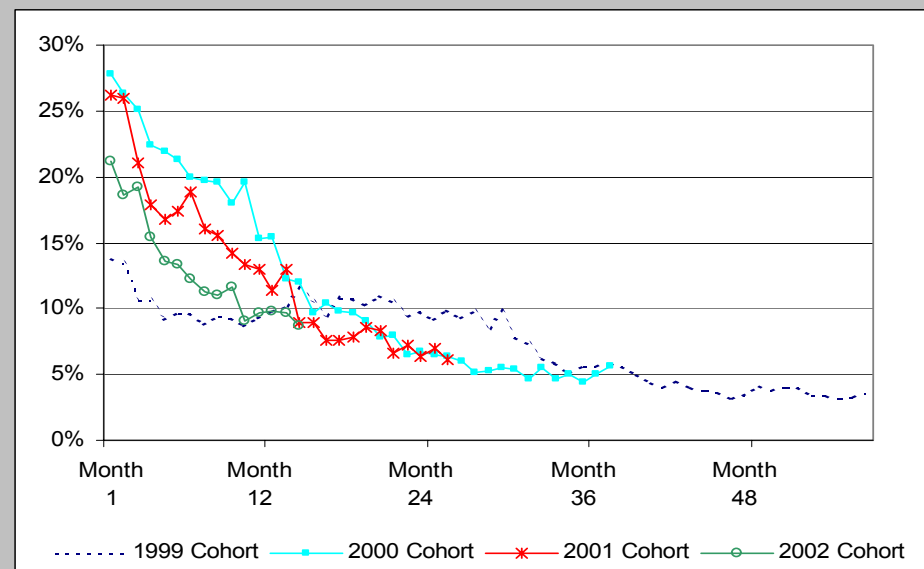
**FIGURE 9:
CHILD SUPPORT
RECEIPT**



Support Services

Families receive supplemental support services primarily to help them become job-ready, to acquire a job, or to maintain employment. The support services can include payments for transportation, costs associated with employment or education, clothing and personal hygiene, or other costs. Figure 10 shows the proportion of families who received support services in each month.

**FIGURE 10:
SUPPORT
SERVICE
RECEIPT**



The 1999 cohort initially was much less likely to receive support services (fewer than 15 percent of respondents), than were the middle cohorts (2000 and 2001). Receipt of support services for

the most recent cohort (2002) was slightly below the rates for the middle cohorts. For each cohort, receipt of support services decreased over time. Families are only eligible to receive support services for six months after leaving TANF, which likely explains much of the drop in support services over time for each cohort.

Figures 11 and 12 show the prevalence and average amounts of support service payments for transportation, clothing and hygiene, and employment and education paid in the first year after each cohort was selected.

Overall, support service receipt and amounts were somewhat lower for the 1999 and 2002 cohorts than for the 2000 and 2001 cohorts.

**FIGURE 11:
RECEIPT OF
SUPPORT
SERVICES IN
FIRST YEAR**

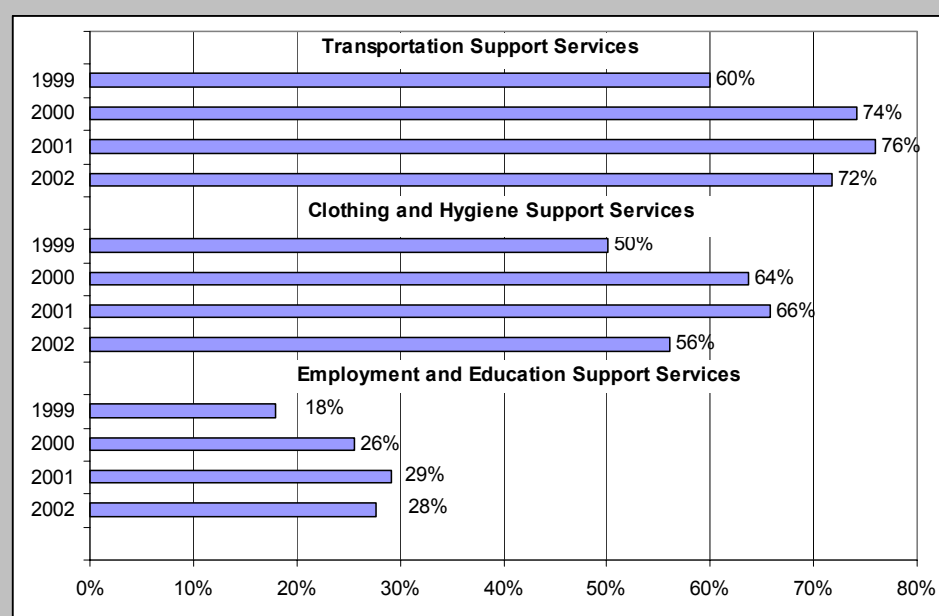


Figure 11 shows that transportation payments were the most common type of support service. About three-quarters of each of the last three cohorts received some type of transportation support in the first year. Between a half and two-thirds of each cohort received support for clothing or personal hygiene in the first year. About a quarter of each group received support for employment or education expenses.

**FIGURE 12:
AVERAGE
SUPPORT
SERVICES IN
FIRST YEAR
FOR THOSE
WHO
RECEIVED
PAYMENTS**

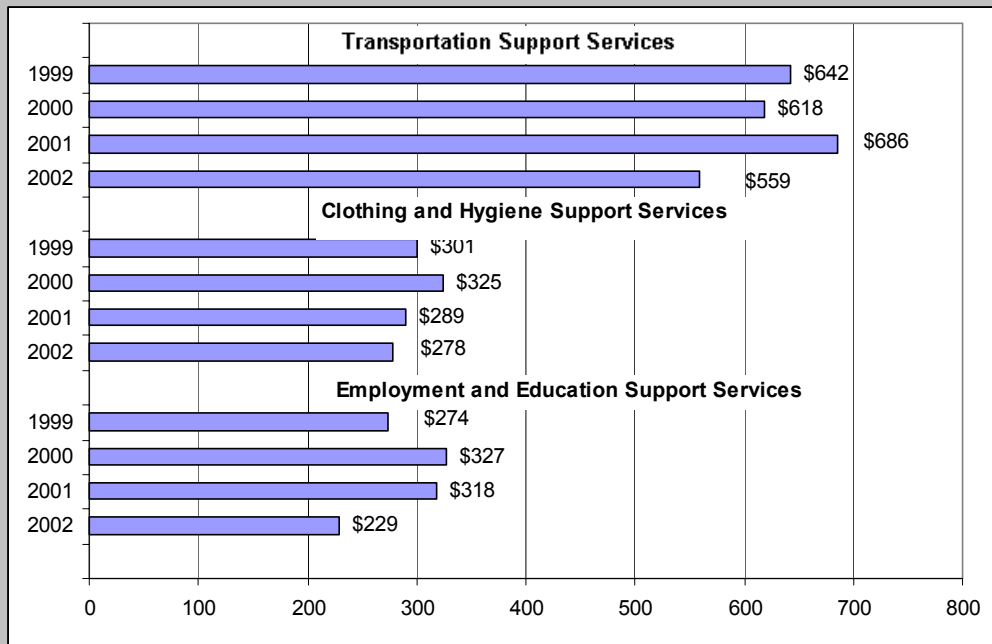


Figure 12 shows the average amounts of support payments of each type for those who received at least some payment in the first year following cohort selection.

Payments for transportation support services were highest with averages between \$550 and \$690 for the first year. Average amounts for clothing and hygiene and employment and education support services were lower—around \$300 for the year.